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August 18, 1983

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MEMORANDUM FOR MR. WILLIAM P. CLARK  
THE WHITE HOUSE

Subject: MBFR Options

Attached for NSC consideration is a paper on MBFR Options which has been developed by the IG on NATO Conventional Forces and Arms Control. An early NSC meeting on this subject is requested.

*Barbara McKinley*  
for Charles Hill  
Executive Secretary

Attachment:

"MBFR Options"

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NATO is now faced with the question of how to respond formally to the latest Eastern proposal which moves in principle toward US requirements on verification measures. The US needs to decide whether or not this response should be a move in the multilateral forum on data that incorporates in some fashion the USG position on MBFR approved by the President as a result of the NSC meeting of May 18. Two particular considerations are involved in this decision: (a) how to extract further Soviet concessions on verification; and (b) how to deal with Allied, especially FRG, pressures to be forthcoming in Vienna for INF reasons.

A trilateral meeting with the UK and FRG to discuss these issues is scheduled for September 13, and a US position is required before then if we are to take the lead in shaping NATO's response.

Recent Developments

On May 18, the NSC considered whether the US should change its long-term position that, prior to signature of an MBFR treaty and any subsequent troop reductions in Central Europe, both sides in the NATO - Warsaw Pact talks in Vienna on mutual and balanced force reductions (MBFR) must reach agreement on the number of Eastern military personnel in the reduction area in light of Soviet hints of willingness to accept effective verification measures.

On the basis of that NSC meeting, the President authorized a bilateral probe to determine whether genuine and timely progress was possible in the MBFR negotiations on the basis of a trade-off between Western willingness to postpone data agreement and Soviet willingness to agree to verifiable reductions to parity. Accordingly, we told the Soviets in mid-June that there is flexibility in the US position on data agreement prior to reductions if the East is willing to accept the entire package for verification which the West has proposed, large asymmetrical reductions to parity and data agreement at some stage.

Since then, there have been a number of significant developments:

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Soviet reply: In a mid-July response to our probe, the Soviets acknowledged that the US appeared interested in overcoming the data impasse in Vienna, but suggested that the US preconditions would only prolong the deadlock. They also, however, indicated willingness to consider verification measures beyond those in the new Eastern treaty, provided they did not become an end in themselves.

In light of these mixed results, we will continue bilaterally to seek to pocket any concessions and move the Soviet position on verification still closer to our own.

New Eastern Proposal: On June 23, the Soviet Union and its Warsaw Pact allies, in a move independent of our bilateral probe, tabled a new draft agreement covering the third element of their proposed three-step reduction process: i.e., US-Soviet mutual example cuts, a freeze, and reductions to parity. This draft agreement calls for reductions within three years to common ceilings of 700,000 ground force personnel and 200,000 air force personnel. This Eastern draft moved closer in principle to the Western position on verification. The East has now suggested a set of measures which, although highly conditioned, are more intrusive than anything the East has been willing to accept before, including some form of on-site inspection, permanent exit/entry points with observers, voluntary invitation of observers to witness reductions of "the most substantial contingents", a continuing exchange of information and a permanent joint commission. As they stand, however, these measures remain inadequate; all but one of them would not go into effect until after completion of the reduction process, and many have other significant shortcomings.

FRG and UK proposals: In mid-July, Chancellor Kohl and the German Federal Security Council decided to introduce into NATO, following trilateral discussion, a new data initiative as a response to the Eastern draft agreement, for tabling in Vienna during the fall round. They have asked for US concurrence. The FRG wants a significant Western initiative in MBFR in order to enhance the credibility of the US-FRG posture on arms control, especially given the prospective difficulties over INF deployments.

Specifically, the FRG proposes that the Allies agree to postpone data agreement until after initial, verified US - Soviet reductions. The condition would be that cooperative verification measures would then be implemented in order to

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verify a non-contractual commitment by all direct participants (US, UK, FRG, Belgium, Luxembourg, Canada, USSR, GDR, Poland and Czechoslovakia) not to increase their forces in the reduction area. Until this verification process yielded agreement on the size of those forces, there would be no further Western reductions.

The British, although preferring to maintain the strong current Western data position, have recently responded to the US-USSR bilateral effort and to building FRG political pressures by proposing a new scheme of their own which would also postpone formal data agreement until after initial US-Soviet reductions, but would use Western data for the purpose of establishing numerically expressed ceilings on US and Soviet forces remaining after reductions. The UK proposes larger first step reductions of US (25,000) and Soviet (60,000) forces on the grounds that such a reduction would be justified on its own merits, regardless of the ultimate outcome of follow-on negotiations.

Congressional interest: The Congress is showing increased interest in MBFR because of the high level of political interest this year in arms control and the growing Congressional intent to limit US force levels in Europe in the absence of greater Allied contributions. The House Foreign Affairs Committee and the Senate Intelligence Committee are planning hearings on MBFR in September.

To the extent that the Vienna negotiations still have credibility as a realistic alternative to self-imposed troop cuts, it would be desirable to go into these hearings with an agreed US position on how we wish to proceed with MBFR in meeting Congressional concerns.

### Timing

The Western Allies should determine their response to the Eastern draft treaty by the opening of the next MBFR round on September 29 or very soon thereafter. This would also be the most favorable moment for tabling a new Western initiative, should we wish to do so, since it would come at a time of sharpened public interest in arms control in Europe and heightened public concerns over INF deployment. It would also coincide with the tenth anniversary of the MBFR talks.

The key dates would therefore need to be close to the following:

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Early September - Decision on US position and transmittal to FRG and UK for their preliminary reaction prior to trilateral meeting.

September 13 - Trilateral meeting scheduled in London.

September 19 - Suggested Western response tabled in NATO.

September 29 - Scheduled opening of fall MBFR round in Vienna.

October 3 - NATO transmits response to Western negotiators in Vienna.

October 6 - West responds formally in the MBFR negotiations.

The Options

The IG has identified three basic options for a NATO response to the Eastern draft treaty:

- 1) Stick to our position that data agreement is a prerequisite for initial US-Soviet reductions but modify the Western position on non-data issues.
- 2) Postpone data agreement until after treaty signature but before reductions.
- 3) Postpone data agreement until after initial US-Soviet reductions.

These options differ principally with respect to the timing of a data agreement. All options include the same package of verification measures, which would be agreed before treaty signature. There are some differences, as noted below in the description of each option, with respect to when the verification measures would be implemented.

The options are discussed below.

Option 1: Stick to our position that data agreement is a prerequisite for initial US-Soviet reductions but modify the Western position on non-data issues. We would press the East for further improvements in their proposed verification measures, perhaps by expanding informal talks on Associated Measures, and seek to maintain the focus on the Western draft treaty of July 82. Under that draft treaty, implementation of all the verification measures would begin at the same time as

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initial reductions. We could also begin a carefully controlled discussion of armaments by adopting a flexible formula offered by the UK at the last Trilateral in Bonn.

Discussion: The current Western position has long been a defensible and coherent one. Changing our data position would carry the risk of eroding the West's present strong substantive position on the need for verifiable asymmetric reductions to parity. MBFR does not at present have high visibility with European publics; however, concrete signs of progress could lead to pressure in Western Europe to compromise essential Western goals in MBFR in order to bring about quick reductions. If even a partial agreement were actually reached, pressures on Western defense budgets and force modernization programs would intensify. Moving forward on issues other than data, such as armaments, could not be characterized by the Soviets as "unforthcoming," nor by our Allies as "stonewalling."

On the other hand, holding fast to our current data position would most likely continue the stalemate on the central issues, in the absence of private Soviet indications to the contrary. Potential moves on minor issues would, by design, be cosmetic in nature, and would therefore provide no incentive for the East to move further on verification. Proceeding with this option would probably mean sacrificing an opportunity this year to enhance our public posture on conventional arms control, and in light of demonstrations of apparent Eastern flexibility on the central issue of verification, the Alliance could be faced with a difficult public relations problem. Some of our Allies could conclude that the US is not serious about conventional force reductions, with potentially serious negative repercussions for INF deployments. Such a clear deadlock in MBFR after 10 years of negotiations could finally kill any future utility of these talks toward countering Congressional pressures for unilateral US reductions. Signs of progress in the negotiations, however, could encourage both the Congress and European parliaments to at least maintain current force levels and modernization plans until a verifiable mutual reductions agreement is reached.

Option 2: Postpone data agreement until after treaty signature but before reductions. We would maintain the present Western approach of seeking agreement on staged reductions to parity, plus a package of on-site verification measures. However, instead of insisting that both sides reach data agreement on existing force levels as a prerequisite to signing an MBFR treaty, we would agree to postpone data agreement until after treaty signature. In exchange, the East would have to

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agree to implement a package of verification measures acceptable to the West before there were any reductions.\* If following mutual inspection of each other's force levels, data agreement were reached, then reductions in stages, separated by further verification, would follow.

Discussion: Such a proposal would place the Soviets on the defensive by forcing them to go on the record as opposing verification rather than claiming that the West is using inflated intelligence figures to block progress or seek unfair advantage. At the same time, it would enable us to hold the Soviets to account, since no reductions would take place unless agreement on force levels were forthcoming. This is important because political and financial constraints would prevent the re-introduction of forces withdrawn in any initial U.S./Soviet reductions phase, regardless of whether -- as is likely -- agreement on force levels was not reached subsequently. It would also guard against any "slippery slope" pressures from Allies and Congress either to follow up on initial dataless reductions with more of the same on the grounds that the approach used for phase one was "working" in the sense of bringing down manpower levels, or to move on to stage three general reductions despite inadequate verification of force levels. The FRG's problems with filling the ranks of the Bundeswehr will be a special stimulus for German pressure in this regard. Moreover, it should be borne in mind that following initial U.S./Soviet reductions, Allies will be under considerable political pressure to follow suit and thus demonstrate equal commitment to arms control.

On the other hand, while this option postpones data agreement until after treaty signature, it does not change the Western position that agreement on starting force levels is required before any reductions are taken. For this reason, this option would be viewed by our Allies, the East, and the knowledgeable press and public as only a cosmetic modifi-

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\* The aim would be to confirm the size of current levels through mutual inspection of each other's forces and data exchange, rather than (as heretofore) through a data discussion confined to assertions and counter-assertions about numbers. Inspection, through random sampling of Eastern units, would provide useful additional evidence (though not absolute proof) to support Western intelligence estimates of Eastern strength. This evidence could put pressure on the East either to agree to Western data, or to bring reality into line with its claims by unilaterally reducing its forces before inspection came into effect.

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cation. Whatever debating points it might temporarily give the West, a strong public case could be made that the West was simply postponing the current data dispute without any serious attempt to find a way out of that dispute, and in the process, was also further delaying any possible reductions. This option would therefore not meet FRG interests in a significant initiative on data. The East would immediately dismiss this option, arguing that it is another Western effort, and a highly intrusive one, to prove its own data. This option therefore would not provide any potential for gaining further Eastern concessions or for moving the talks forward. Finally, if no agreement were reached over the next round or two, the Soviets could "pocket" Western acceptance in principle of data postponement.

Option 3: Postpone data agreement until after initial US-Soviet reductions. The FRG, the UK, and US delegation proposals are all based upon this approach.

The version proposed by Ambassador Abramowitz would postpone data agreement until after initial US-Soviet reductions, provided the Soviets agreed in advance on the framework for the overall process of reductions to parity. This process will include all the essential elements of associated measures, including the format for data exchanges, which will facilitate effective verification of reductions and limitations at each stage. Building upon the FRG and UK proposals, the major elements of this process would be the following:

- First step: a verified withdrawal of 13,000 US and 30,000 Soviet troops;
- Second step: a verifiable, time limited no-increase commitment; data agreement to be reached during this period;
- Third step: verified reductions to parity within three years.

This permits initial US-Soviet reductions before requiring agreement on data, a publicly perceptible change in the basic Western position on data. As such, it would provide a convincing public demonstration of US and Allied negotiating flexibility and seriousness, and thus meet FRG interests. By indicating flexibility on an issue on which the East puts a premium -- immediate reductions without prior agreed data -- the West is in a position to press for further Eastern flexibility on issues of importance to the West. At the same time, because this option would require that all basic elements

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be worked out in advance of initial US-Soviet reductions, we would not be "giving away" our data position. Requiring data agreement before further reductions to parity took place will also be very difficult for the East to accept.

On the other hand, if stage two did not produce agreement on force levels following initial US-Soviet reductions, the US would have withdrawn 13,000 troops which it might be politically impossible to return. If the desired public impact were not achieved by our initial tabling of the proposal in Vienna, increased pressure by some of our Allies -- and perhaps our own Congress -- could lead to first stage mutual reductions before a satisfactory arrangement for verifying the next stage had been agreed to. This proposal would probably also be rejected by the Soviets, since they would have to agree in advance to measures to verify their force levels in the area before any follow-on reductions (e.g., FRG reductions) would take place. Should the Soviets agree to verifiable first stage reductions and to the West's set of verification measures, post-reduction data agreement might be difficult to achieve even with the aid of these verification measures. The longer the proposal lay on the table, regardless of Soviet performance, pressures in Congress and in Western Europe for further reductions might be strong and hard to resist, and the Soviets might feel they would be able to impede effective verification once reductions had begun. Finally, if no agreement were reached over the next round or two, the Soviets could "pocket" Western acceptance in principle of data postponement until after initial reductions and a no increase stage had occurred.

#### Verification

An MBFR agreement to reduce and limit manpower presents difficult verification problems. Because Intelligence has no direct means of counting men, its monitoring methods focus on unit structure and personnel strength estimates. These in turn are strongly affected by assumptions concerning Eastern manpower policies and practices for which only fragmentary evidence exists. Intelligence has high confidence in its ability to detect promptly violations involving changes in force structure that would threaten NATO security, but has low confidence that it could detect promptly marginal violations up to several tens of thousands in manpower alone.

Historical experience argues against concluding treaties, such as the Threshold Test Ban Treaty, containing complex and largely untested verification measures before reaching a full understanding among the parties on the precise nature of these measures and their relationship to treaty compliance.

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See Annex I of this paper for a discussion of the MBFR verification problem.

Attachment:

Verification Annex.

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## Verification Annex to the MBFR Options Paper

Summary

This brief assessment of US MBFR monitoring capabilities concludes that Intelligence could promptly detect and report violations large enough to pose significant threats to NATO security in Central Europe. While negotiated verification measures would allow for high confidence in judging the fact and size of Soviet withdrawals and at least moderate confidence in East European reductions, they would only modestly enhance existing unilateral capabilities for monitoring residual ceilings. They should not be expected to ensure detection of all potential Eastern violations, especially marginal ones.

Intelligence would expect to continue to monitor large combat units with moderate to high confidence but, even with the full package of associated measures, it would have low confidence in its ability to estimate manpower in non-combat elements that make up some 25 percent of Pact ground forces. Even though on-site inspection could help confirm the structure of individual units, estimates of Pact manpower strengths would continue to be based largely on indirect methods. The measures would enhance Western confidence of detecting and confirming potential ceiling violations that would threaten Western security, but any MBFR agreement based on manpower seems likely to require that the West accept a certain measure of uncertainty about strict Eastern compliance.

General Intelligence Monitoring Capabilities

1. The selection of manpower as the basis for MBFR poses verification difficulties that are much more severe than any associated with strategic forces arms control. This is because intelligence has no direct means for counting Warsaw Pact military personnel and must therefore estimate manpower totals by inference from force structure. As a result, there is some imprecision inherent in these estimates.

2. With associated measures in place, however, Intelligence could monitor promptly and with high confidence the withdrawal of large Soviet combat units from the reductions area. It would be

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confident that most of the men and major weapons associated with the units had been withdrawn, but some uncertainty might persist indefinitely as to whether marginal cheating on disposal of men or weapons had occurred. It could have only moderate confidence in monitoring the disbandment of indigenous Eastern units, and then only if their equipment were removed, mothballed, or scrapped. -- Intelligence would have low confidence in its capacity to monitor -- reductions of indigenous manpower and equipment not in units.

3. In the post-reductions phase, there is high confidence that Intelligence would promptly detect the formation of large Soviet combat units. It would be difficult, however, even with associated measures, to make a prompt assessment of the net effect of such an action on overall troop levels if the activity involved only one or two such units. Moreover, it would be extremely difficult to detect, especially in the short term, a covert, incremental introduction of Soviet troops distributed among units already existing in the area unless increases were very large. Even large increases could take months to demonstrate conclusively with high confidence. Increases by indigenous forces could be even more difficult to detect than Soviet increases.

#### The Value of Associated Measures

4. Associated measures would modestly enhance our monitoring capability. They would be most helpful for monitoring reductions; probably less helpful, although still valuable, for monitoring post-reduction ceilings. Each of the verification measures currently proposed by the West is assessed below according to its potential contribution to monitoring Eastern troop levels:

5. Inspection. An inspection system which provided for periodic direct access to Eastern military units would improve our ability to monitor MBFR reductions and limitations by:

- helping clarify the structure of residual Eastern forces upon which our manpower assessments are based;
- helping confirm that preannounced Eastern reductions occurred in fact;
- engaging the East in a verification arrangement that would increase the perceived risk of detection of marginal cheating for the sake of small gains in military advantage.

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6. An inspection measure will contribute most heavily to the assessment of Eastern force structure. It could help improve further the Intelligence Community's fairly good understanding of the structure of large Eastern combat formations -- especially divisions -- which comprise more than half of Eastern ground forces manpower. More importantly, it could help define elements of the Eastern force structure which currently are invisible or at best vaguely defined, such as certain rear services units and organizations. An inspection system would not, however, enable Intelligence to by-pass the estimative process and obtain direct accountings of the manpower strengths of Eastern forces. The degree of intrusiveness required even to attempt this would likely be non-negotiable and reciprocally unacceptable.

7. Information Exchange. The Western proposal for an exchange of information is potentially the most important of the cooperative verification procedures proposed by the West. This measure would require the East periodically (e.g., annually) to provide detailed information on the structure and manpower strength of its forces in the MBFR area down to the level of small units. Such an exchange would give us a detailed Eastern statement of its forces against which Intelligence could more easily direct its monitoring resources, including any inspections, and would be a baseline against which compliance challenges could be made.

8. Entry/Exit Points and Prior Notification. The West also proposes that all Soviet forces entering and leaving Central Europe be required to pass through designated entry/exit points permanently manned by Western observers, and that prior notification be given if a move into the reductions area involves more than one complete division or more than 25,000 individual soldiers in one calendar month. Coupled with the prenotification of Soviet withdrawal plans, these measures would be critically important in establishing high-confidence monitoring of Soviet force withdrawals and would improve the Intelligence Community's ability to determine whether post-reduction Soviet troop movements into and out of Central Europe were violating post-reduction limitations.

9. The Issue of Warning Versus Verification. A basic premise of the Western MBFR position is that the outcome should reduce the disparity in military forces in Central Europe and that such an outcome would enhance Western security -- especially against short warning attack. In particular, a number of Soviet combat divisions probably would be removed from the reductions area to the USSR from whence their movement back toward Central Europe would provide additional warning.

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10. It is also expected that the associated measures in the agreement would contribute to better warning intelligence, as well as aiding verification and generally enhancing confidence and stability. It is reasonable to assume that the East would be unlikely to risk being caught at marginal cheating for the sake of small gains in military advantage. If the East did violate the agreement it would be much more likely to do so for large gains that would involve major force changes which intelligence should detect promptly.

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